



2001

**Annual
Financial
Report**



**Year Ended
December 31, 2001**

Canadian Award for Financial Reporting

Presented to

City of Regina,
Saskatchewan

For its Annual
Financial Report
for the Year Ended
December 31, 2000

A Canadian Award for Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to municipalities whose annual financial reports achieve the high program standards for Canadian Government accounting and financial reporting.



Timothy Quare
President

Jeffrey L. Egan
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the Corporation of the City of Regina for its annual financial report for the fiscal year ending December 31, 2000. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and provide peer recognition and technical guidance for officials preparing these reports.

In order to receive the Canadian Award for Financial Reporting, a municipal government must publish an easily readable and efficiently organized annual financial report. The contents of the report must conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA.

This is the ninth time the City of Regina has received an award for its Annual Financial Report.

The 2001 Annual Report for the City of Regina was prepared by the Finance Department, with contributions from all City Departments and related organizations.

City of Regina, Saskatchewan, Canada
www.cityregina.com

City of Regina

SASKATCHEWAN, CANADA

Annual Financial Report

Year Ended December 31, 2001



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August 6, 2002

His Worship the Mayor and Members of City Council:

I am pleased to submit the City of Regina's Annual Financial Report for the year ended December 31, 2001. The Annual Financial Report is submitted pursuant to Section 73 of *The Urban Municipality Act, 1984*. The financial report includes consolidated financial statements for the City of Regina reporting entity as required by the Public Sector Accounting Standards. The purpose of this report is to provide financial, statistical and other information about the City of Regina and related entities to allow readers to gain an understanding of the City and the resources available to the City.

The Annual Financial Report consists of the following sections:

- The introductory section is to familiarize the readers with the history of our City, the political and organizational structure of the City of Regina, and the nature and scope of the services provided by the City.
- The financial section includes the Consolidated Financial Statements. The information consists of various levels of financial detail to help people understand the financial resources available to the City.
- The statistical section contains additional information to provide a broader understanding of the City of Regina.

The preparation and presentation of the financial statements and related information contained in this annual report is the responsibility of the management of the City of Regina. The statements have been prepared on a basis consistent with the recommendations of the Public Sector Accounting Board (PSAB). Included in the consolidated financial statements are those entities that are accountable to and owned or controlled by the City of Regina as defined by the PSAB. These entities include: Regina Public Library, Regina Regional Economic Development Authority, Regina Pioneer Village, Regina Downtown and Buffalo Pound Water Administration Board.

City Council has appointed the accounting firm of Deloitte & Touche, LLP to perform an independent audit of the City's 2001 financial statements, and their report is included herein. The accuracy and reliability of the financial information is ensured by the City's system of internal controls. The Finance and Administration Committee is required to review the external auditors' audit plan, and ensure corrective action is taken for weaknesses identified in the City's internal control system.

The planning development and monitoring of the annual operating and capital budgets is a fundamental component of the City's financial administration. Significant points to note regarding the financial administration of the City include:

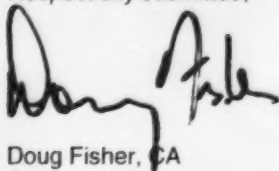
- In 2001, there was no increase in the City's mill rate, while at the same time, core programs and service levels were maintained. While the mill rate was not increased in 2001, individual tax levels may have changed as a result of the 2001 reassessment.
- The City's AA+ bond rating with a stable outlook was reaffirmed by Standard and Poor's.
- The City's tax supported debt was retired in 2001.

- For 2001, the City's General Operating Fund ended the year with an operating surplus of approximately \$2.6 million. The surplus is determined on a basis consistent with the presentation of the 2001 General Operating Budget and is prior to consolidation and application of the PSAB standards.
- Based on the consolidated information, the following points are noted for 2001:
 - Total revenues in 2001 increased by about \$14.3 million from 2000. The increase resulted from increases in tax revenues, water and sewer utility revenues and government grants.
 - Total expenditures in 2001 decreased by about \$5.3 million. This change resulted from a combination of increases in wages and benefits resulting from negotiated or arbitrated settlements, offset by the reduction in the City's liability for the Police Pension Plan as a result of a settlement arising from a lawsuit against a former actuary.

The City's achievements in providing accurate and articulate financial statements were recognized by the Government Finance Officers Association of the United States and Canada (GFOA) for the ninth consecutive year. GFOA awarded a Canadian Award for Financial Reporting to the City of Regina for its annual financial report for the fiscal year ended December 31, 2000. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs. A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA.

Respectfully submitted,



Doug Fisher, CA
Director of Finance

City of Regina
Introductory Section



Our Community



Since its inception in 1882, Regina has grown from a small CPR railway depot to a vibrant, multi-cultural city that is an anchor of economic activity in the middle of Canada's vast rolling prairies. As Saskatchewan's capital, the Queen City embraces its diversity while its citizens enjoy an enviable quality of life.

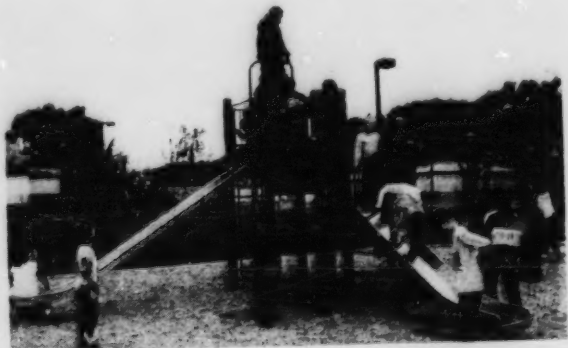
Surrounded by a sea of golden wheat fields, Regina's majestic skyline rises like an oasis on the prairie landscape. Over a half-million trees grace its streets and provide a lush canopy for the 559 hectares of city parkland spread throughout the city. In addition, the Wascana Centre Authority manages one of the city's favorite park systems, which stretches across 930 hectares of land and features a man-made lake located in front of the Saskatchewan Legislature building.

Over 190,000 people call Regina home and agree that the Queen City is an attractive place to live, work and raise a family. In a 2001 municipal survey, over three-quarters of the population considered Regina a safe community to live in. The city's affordable cost of living is maintained by its reasonable housing prices (average \$97,000) and an inflation rate of 3.1% in 2001. As well, Regina's compact size allows residents to travel from one end of the city to the other in less than a half an hour.

Short commute times allow this closely-knit community more time to pursue leisure activities. Many enjoy the concerts hosted by the Regina Symphony Orchestra – Canada's oldest continuous symphony orchestra. Others enjoy the many amateur and professional theatre productions held throughout the year. Residents also enjoy recreational sporting activities and take advantage of the municipally-run 225 ball parks, 82 athletic fields, seven arenas, six golf courses, two leisure centres, and the Sportplex and Lawson Aquatic Centre.

Regina loves its amateur and professional sports teams as well. Fans from across the province come to our city to cheer on the Saskatchewan Roughriders, Regina Pats hockey team, and all University of Regina sports teams, including the University of Regina Rams football team. It is no wonder that Regina was chosen to host hockey's 2001 MasterCard Memorial Cup and the 2001 Roar of the Rings Olympic Curling trials. As well, the city has been selected to host the 2003 Grey Cup and the 2005 Jeux du Canada Games.

Education is our priority. Statistic Canada reports that over 59% of Regina's residents have some post-secondary education. In the fall of 2001, over 11,000 students were enrolled in either the University of Regina, the Saskatchewan Institute of Applied Science and Technology (SIASST), Luther College, Campion College, or at Saskatchewan Indian Federated College (SIFC). As part of their 25th anniversary celebrations, construction began on SIFC's new \$30.6 million dollar campus, which will be completed by the spring of 2003.



Children enjoy the Core Park playground which opened in 2001



A Mosaic of Activities and Events

- Regina's vibrant culture is celebrated through a myriad of events and activities scheduled throughout the year.
- In April, the Saskatchewan Indian Federated College Powwow kicks off the start of the powwow season and is one of Canada's major indoor powwows.
- Every June, residents and visitors from across the province enjoy our Mosaic Festival, a citywide event where the proud heritage of our residents is celebrated at pavilions, which represent countries from around the globe.
- Saskatchewan's largest folk music festival, the Regina Folk Festival, is held every August in Victoria Park.
- In September, over 700 paddlers participate in the Regina Dragon Boat Festival, held in beautiful Wascana Park.

Regina also hosts other events as well. Thousands of visitors attend the city's annual events such as the Canadian Western Agribition, Buffalo Days Exhibition, and the Western Canadian Farm Progress Show, which celebrates its 25th anniversary in 2002.

Every August, the City proudly hosts the Canadian National Arabian and Half-Arabian Championship Horse Show, known as the Royal Red. Held in Regina annually since 1988, this five-day event draws over 900 horses and riders who compete for national honours in over 50 competitive classes.



CELEBRATION 2003

In 2003, Regina will celebrate the 100th anniversary of its incorporation as a city. Several activities are being planned during the year to mark this milestone. An invitation has been sent to Buckingham Palace, inviting the Royal Family to visit in 2003. Regina has been chosen to host the 2003 Grey Cup and the City is planning a special event for June 19th – our incorporation date.

Providing a Royal Welcome

In April 2001, the City of Regina held an outdoor welcoming ceremony for His Royal Highness, the Prince of Wales, during his first visit to Saskatchewan. In addition to his visit to City Hall, the Prince of Wales attended an official welcome at the Legislative Building and opened the Prince of Wales Entrance and the Cumberland Gallery while there.

The Prince of Wales also toured Scott Collegiate, visited the "Chili for Children" Program, met the Canadian Youth Business Foundation, and attended the Lieutenant Governor's formal dinner at Government House while in Regina.



(Photo right: Mayor Pat Fiocco, his wife Angie Fiocco, and HRH Prince of Wales greet the crowd in front of City Hall, April 26, 2001)

A Strong Economic Base

From the city's beginning, agriculture has been the dominant sector in Regina's economy. The city became the distribution point of farm machinery for the western Canadian grain belt, and was the natural choice as a site for head offices of banks, trust companies and insurance companies. Saskatchewan Cooperative Wheat Producers Limited, the forerunner of the Saskatchewan Wheat Pool was formed in the 1920's and gave a boost to Regina's agricultural base.



Aerial view of the City of Regina

Regina has diversified beyond agriculture to include manufacturing, primary industries and utilities, transportation, petroleum technology, resource management and information and communications technology. This growth translated into a record year for building permits in 2001. The value of Regina's building permits for 2001 was just over \$214 million, up approximately 51% from the previous year's total of \$141 million. Major projects issued permits during the year include the new campus for the Saskatchewan Indian Federated College, Casino Regina's expansion and new show lounge, and a state-of-the-art Sound Stage that will be completed in 2002.

Many organizations have recognized that it makes good business sense to locate in Regina. Regina has become a popular location for national call centres. Regina is now home to call centres for businesses such as Sears, CIBC, the Royal Bank, DANKA and Staples. This is due in large part to low-cost office space and cutting edge technology developed by the provincial crown corporation, SaskTel.

Regina's competitive business climate is being recognized globally. In its latest *"Competitive Alternatives Study: A Comparison of Business Costs in North America, Europe, and Japan"*, KPMG compared 64 cities in eight countries around the world to help firms compare business cost fundamentals and to identify promising locations for their operations. In that study, Regina ranked as having the eighth lowest overall costs among major North America and Canadian cities and fourth in the Canadian and US cities in the Midwest region.

A New Brand for a New Century

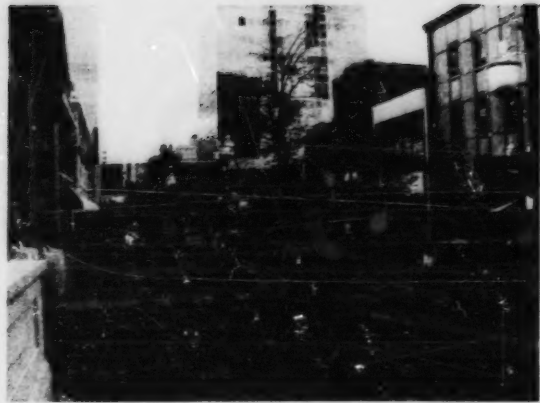
In January 2001, the City of Regina partnered with four stakeholders to establish a new brand for the Queen City. This was the first time in North America that all community partners – from the tourism industry to the group representing local businesses – joined together in a common effort to promote a community. The image celebrates the vibrancy and vitality of Regina, showing it to be a modern and progressive city.



The city's new brand, coupled with its entrepreneurial spirit and family-oriented atmosphere, will ensure its prominence as a major economic force on the Canadian prairies.

Historical Dates to Remember

- 1883 *Regina is incorporated as a town.*
- 1884 *The Riel Rebellion occurs.*
- 1885 *The first town hall is constructed.*
- 1889 *The first schools are established.*
- 1898 *Cottage Hospital is established.*
- 1903 *Regina is incorporated as a city.*
- 1905 *The Province of Saskatchewan is created.*
- 1906 *Regina is named Saskatchewan's capital city.*
- 1907 *The second City Hall is completed.*
- 1911 *Public transit service begins in Regina.*
- 1912 *The Legislative Building is officially opened.*
- 1930 *Albert Street Memorial Bridge is built.*
- 1954 *CKCK, the first television station in Western Canada, opens.*
- 1957 *Natural gas service arrives in Regina.*
- 1962 *Regina Public Library (Central Branch) opens.*
- 1976 *Present City Hall is opened.*
- 1987 *Regina officially twins with Jinan, China.*
- 1992 *Governor General Raymond Hnatyshyn presents Regina with a new flag and coat of arms.*
- 1995 *Regina hosts the CFL Grey Cup.*



Frederick W. Hill Mall

HIGHLIGHTS FROM CITY OF REGINA 2001 OMNIBUS SURVEY

- "95% of residents rated the Fire Department as excellent or good."
- "82% of residents describe the overall level of service provided by the city as either excellent or good."
- "79% of residents consider Regina a safe community."
- "The three areas where citizens recognize the City for doing a particularly good job of providing service in 2001 were: parks, transit, and garbage removal."

City Council

Regina uses a Council/Manager form of government. It is comprised of a City Council, standing committees, and other committees, boards and commissions. City Council's primary responsibility is to provide policy direction under which the municipality operates. Council also sets the long-range service goals, and approves the municipality's operating and capital budgets.

Regina City Council consists of a Mayor and ten Councillors. Each Councillor represents one city ward for a three-year term. The Mayor presides at all meetings of City Council and is the ceremonial head of the municipal government. The Mayor and City Clerk are the municipality's official signing officers. The City Council members for the 2000 – 2003 term are shown below.



Mayor Pat Fiacco



*Mike Badham
Ward 1*



*Bill Hutchinson
Ward 2*



*Fred Clipsham
Ward 3*



*Michael Fougere
Ward 4*



*Bill Gray
Ward 5*



*Rob Deglau
Ward 6*



*W. Joe McKeown
Ward 7*



*Vic McDougall
Ward 8*



*Darlene Hincks
Ward 9*

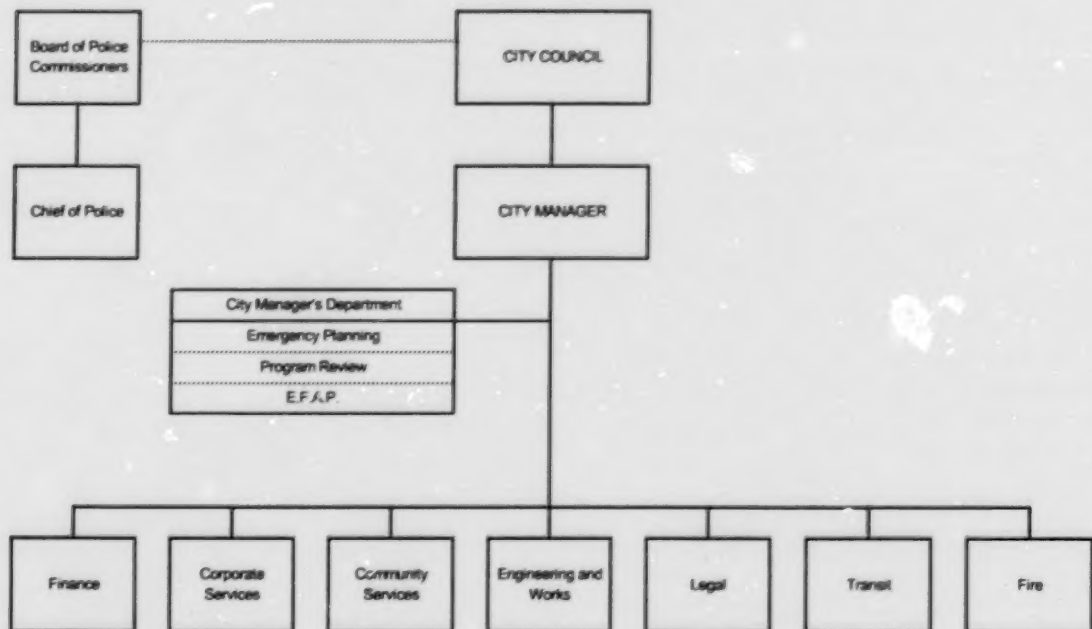


*Bill Wells
Ward 10*

Municipal Administration

The City Manager is the Chief Administrative Officer of the City and is appointed by City Council. The City Manager's Bylaw 9152 outlines the responsibilities, accountabilities and authority for the position. The City Manager advises Council on all matters related to the City's programs and services and is responsible and accountable for directing and organizing the administration to achieve the goals and objectives of City Council in the most economic, effective and efficient manner.

City of Regina Organizational Structure



City Manager's Department

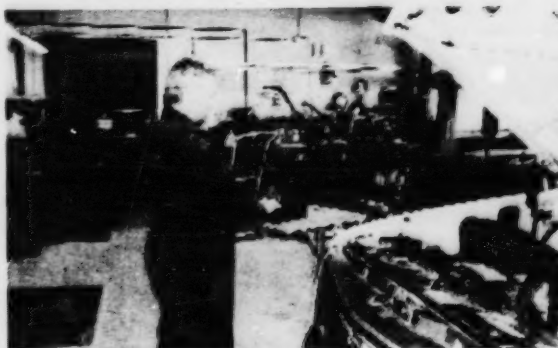
The City Manager's Department consists of the following divisions:

- Emergency Planning is responsible for planning the response to major emergencies or disasters. This division coordinates the activities of other City departments, government departments, private industry and volunteers who respond to major emergencies.
- Program Review, in cooperation with civic departments, provides comprehensive analytical and functional reviews of specific City Programs. The initial two projects completed by Program Review were the Fire Services Review and the Review of Fleet Services. Current projects include the facilitation, with the Regina Police Service, of a consultant's review of the corporate radio system, a comprehensive review of Transit, a comprehensive review of overtime for the City of Regina and a review of recreation fees and charges.
- The Employee and Family Assistance Program is a cooperative effort between the City and its unions and associations. Its purpose is to provide employees, their immediate family and retired employees confidential and professional counselling to assist them to overcome personal problems.

Corporate Services Department

The Corporate Services Department consists of the following divisions:

- The Fleet Division is responsible for the acquisition and maintenance of vehicles and equipment. It is also responsible for the development and implementation of an equipment operator training program.
- The Facilities/Energy Management Division is responsible for the building and maintaining of city facilities, the management of a central stores and bulk materials operation, the administration of an energy management program for facilities and equipment, and the management of an air pollution reduction program.



- The City Clerk's Division acts as the Secretary of the City. Officials from the City Clerk's Division attend all Council and Committee meetings and document the decisions made at such meetings and provide advice on procedural questions. The maintenance of bylaws and corporate records management is also included, along with the provision of secretarial support to City Councillors.

The City Clerk acts as a signing officer for the City, ensures the proper approval before affixing the Corporate Seal, and provides a link between the general public, the City Administration and City Council. The City Clerk also acts as Returning Officer for civic elections.

- Human Resources Division provides staff recruitment services, salary and benefit management, employee training and development, collective bargaining and labour relations, occupational health and safety programs, employee wellness programs, and promotes employment equity within the corporation.

- The Public Affairs Division promotes the City as a community and works to develop an understanding and appreciation among Regina's citizens of the programs and services of the City. Public Affairs accomplishes this through the coordination and direction of media relations, advertising and production services, along with external communications and internal communications for the City.
- The Pension and Benefits Division administers pension plans, long term disability and group dental, medical and life insurance benefits on behalf of the City and the Pension Administration Boards.
- The Real Estate Division acts as the City's in-house realtor, providing buying, leasing, selling and development services for all properties owned by the City and not used by another City department.

Community Services Department

Community Services provide services that enhance the quality of life for the citizens of Regina and includes the following six Divisions.

- Community and Leisure Services Division has four major areas of responsibility.
 - To maximize citizen participation and satisfaction in the services offered at City facilities in a cost-effective manner.
 - To work closely with community associations and the non-profit sector to develop partnerships and to facilitate the development and delivery of programs and services (social and recreational) in the community.
 - To undertake market research, community needs and opportunities analysis, and evaluation of programs and services.
 - To coordinate the City's role in the arts, culture and heritage communities in Regina.
- The Bylaw Enforcement Division is responsible for property standards enforcement and general bylaw enforcement.
- The Building Division is responsible for residential and commercial building inspections, permit processing and the Residential Rehabilitation Assistance Program (RRAP) inspections.
- The Urban Planning Division facilitates the growth and development of the City through the development of strategic, long-range land use policies and housing policies. These policies are implemented through appropriate guidelines, regulations, controls and zoning standards.
- The Project Services and Landscape Design Division is responsible for the planning, policy development and landscape design process to provide direction and support for the effective delivery of parks, recreation and community services.
- The Parks and Open Space Management Division is responsible for park maintenance and upkeep, irrigation systems, weed control, outdoor floral displays, cemeteries, Regina's urban forest, athletic fields and community extension and awareness programs.



Finance Department

The Finance Department provides corporate leadership, management and support to develop, promote and safeguard the economic, financial and information resources for the benefit of the City. The Divisions in this Department provide accounting services, payroll services, debt management, capital financing, revenue administration, customer billing and collections, and the acquisition of goods, materials and contracted services.

The Divisions handle the assessment of all land, improvements and businesses within the municipality for the purpose of taxation. They also bill and collect property taxes and grants-in-lieu of taxes.

The Finance Department also supports the development and monitoring of the budget and provides other support to the budget and financial processes. It issues licenses, manages cash flows and provides investment services for the City, its pension plans and trust funds. It also oversees the integration, security, and sharing of data information within the corporation while providing support for current applications and identifying new technology opportunities and potential applications.

Fire Department

The Fire Department provides for fire suppression, emergency response to dangerous situations such as hazardous material incidents, fire prevention by means of public education and awareness, inspections and enforcement of fire codes and regulations.

The official opening of the two new fire stations in early 2002 will result in increased coverage to over 5,000 properties and 15,000 citizens in the City of Regina. The new fire stations will allow the Fire Department to achieve their 6/10 minute response objective to over 97% of Regina's population from the 88% coverage that currently exists.

Legal Department

The Legal Department provides general legal services to City Council and the Administration, including the defense of all actions against the City, the prosecution of the violations of bylaws, and risk management services to the Corporation and related agencies. The Legal Department also provides general legal services to the Regina Police Service and the Regina Public Library.



Engineering and Works Department

The Engineering and Works Department consists of the following Divisions:

- Sewer, Water, and Waste Management Division operates, maintains, constructs and repairs the City of Regina's infrastructure assets on a 24-hour basis. The Division also collects and disposes of solid waste and provides opportunities for waste diversion. The infrastructure assets include water supply lines and pumps, water distribution pipes, valves and hydrants, water meters, sewer lines, lift stations, the four-stage Sewage Treatment Plant, surface drainage, routing and control, protection and preservation of the natural environment.
- Roadways and Traffic Division is responsible for the plan, design, construction, and related services used in managing the City's infrastructure. The infrastructure includes streets, roads, alleys, and sidewalks, street lights, traffic signs, traffic signals, safe and efficient movement of people and goods.
- Development and Technical Services and the Administrative Services Divisions support the other two divisions through the provision and coordination of technical and clerical assistance.



Police Department



The City of Regina is responsible, pursuant to *The Police Act of Saskatchewan*, for the maintenance of law and order within its boundaries. The City is required to appoint a Board of Police Commissioners, which in turn is required to provide a police force to maintain a reasonable standard of law enforcement. A majority of Board members are required to be members of City Council.

The annual budget of the Board of Police Commissioners must be approved by City Council, and the Board may not authorize any expenditure in excess of the total budget, nor approve any

expenditure for a matter or purpose not originally budgeted for, without the prior approval of City Council. Funding for the police budget is provided from general municipal funds.

The day-to-day operations of the police force are directed by the Chief of Police, who is a statutory agent of the Board of Police Commissioners and acts under their general direction. The power of City Council extends to the appointment of the Board and the approval of the Board's budget but does not extend to operational matters.

Transit Department

The Transit Department provides regular bus route service within the City of Regina, including the provision of information regarding bus routes, and advertising and marketing programs to promote the use of public transportation. This results in an efficient and effective means of public transportation. It also improves accessibility to the core area to promote downtown redevelopment and expansion, and to meet the travel demand generated by higher density growth. Through Regina Paratransit Service, the Department also provides service to nearly 5,000 residents who are unable to use the regular transit service.

2001 Highlights

- *His Royal Highness the Prince of Wales visits Regina.*
- *Saskatchewan's oldest public transit system, Regina Transit, celebrates 90 years of service.*
- *The City of Regina's 2001 Reassessment Web site received a silver medal at the Technology in Government Week's Distinction Awards Gala.*
- *The City of Regina increased bylaw enforcement related to housing, to improve quality of housing, particularly in the inner city.*
- *Two new fire stations were designed and constructed and officially opened January 24, 2002, but were operating by December 2001.*
- *Four City employees were the first to receive the highest level of certification under Saskatchewan's Operator Certification Program for water and sewer employees.*
- *A Green Ribbon Community Climate Change Advisory Committee was established by City Council to develop a greenhouse gas reduction program for Regina.*
- *The Regina Transit Information Centre was renovated to better accommodate passengers with disabilities and improve customer service.*
- *Regina Paratransit purchases its first CNG (compressed natural gas) dedicated buses.*
- *Regina Police Service implements an inner-city Community Cadet Program.*
- *Regina selected to host the 2003 Grey Cup.*
- *Regina selected to host the 2005 Jeux du Canada Summer Games.*
- *Planning begins for Regina's 2003 Centennial Celebrations.*
- *Expansion of the Buffalo Pound Water Treatment Plant completed.*
- *Regina Home Flood Protection Program Office opens.*
- *All of the City's "tax supported" debt was retired.*
- *City's bond rating of AA+ with a stable outlook was maintained.*

City of Regina

Financial Section



City of Regina

Consolidated Financial Statements

Management's Report

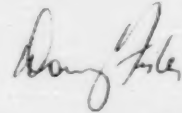
The management of the City of Regina is responsible for the integrity of the accompanying consolidated financial statements and all other information within this Annual Report. The consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles for local governments recommended by the Canadian Institute of Chartered Accountants. The preparation of the consolidated financial statements necessarily includes some amounts, which are based on the best estimates and judgements of management. Financial data elsewhere in the Annual Report is consistent with that of the financial statements.

To assist in meeting its responsibility, management maintains accounting, budget and other internal controls. These controls provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, in order that the integrity of financial records is maintained.

The consolidated financial statements have been audited by the independent firm of Deloitte & Touche LLP. Their report to the Mayor and City Council, stating the scope of their examination and opinion of the consolidated financial statements, follows.



Bob Linner
City Manager
June 24, 2002



Doug Fisher, CA
Director of Finance

Auditors' Report

To: His Worship the Mayor and Members of City Council

We have audited the consolidated statement of financial position of the City of Regina as at December 31, 2001 and the consolidated statements of financial activities, changes in municipal position and changes in financial position for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City of Regina as at December 31, 2001, and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles for local governments recommended by the Canadian Institute of Chartered Accountants.

Deloitte & Touche LLP

Chartered Accountants

Regina, Canada,
May 10, 2002

Consolidated Statement of Financial Position

As at December 31, 2001

(in thousands of dollars)

	2001	2000 (Restated)
FINANCIAL ASSETS		
Cash	17,034	12,407
Short-Term Investments - Note 3	34,457	31,682
Accounts Receivable	25,541	21,018
Taxes Receivable - Note 4	7,238	6,415
Property Held for Resale - Note 5	1,933	2,154
Long-Term Investments - Note 6	36,482	39,718
Total Financial Assets	<u>122,685</u>	<u>113,394</u>
FINANCIAL LIABILITIES		
Accounts Payable and Accrued Liabilities	23,790	23,388
Taxes Payable to School Boards	8,860	2,193
Deferred Revenue	3,660	2,760
Lease Obligations - Note 14	2,671	3,115
Long-Term Debt - Note 7	32,300	42,208
Employee Benefit Obligations - Note 9	20,553	20,266
Pension Liability - Note 10	9,427	23,867
Landfill Closure and Post Closure - Note 11	11,949	11,053
Total Financial Liabilities	<u>113,210</u>	<u>128,850</u>
Net Financial Assets (Liabilities)	9,475	(15,456)
NON-FINANCIAL ASSETS		
Materials and Supplies	3,470	2,913
Total Net Assets (Liabilities)	<u>12,945</u>	<u>(12,543)</u>
MUNICIPAL POSITION		
Unrestricted Fund - Schedule 1	13,005	13,916
Internally Restricted Funds - Note 18	75,474	72,495
Amounts to be Recovered from Future Revenues - Note 19	(75,534)	(98,954)
Total Municipal Position	<u>12,945</u>	<u>(12,543)</u>

See accompanying notes.

Consolidated Statement of Financial Activities and Changes in Municipal Position

For the Year Ended December 31, 2001

(in thousands of dollars)

	Budget 2001	Actual 2001	Actual 2000 (Restated)
REVENUE			
Taxation Revenues - Note 8	110,959	111,795	104,545
Water and Sewer Utility Revenues	44,914	47,431	43,889
Fees and Charges	20,593	21,982	20,799
Municipal Surcharge on Electricity - Note 1	18,900	18,870	18,065
Government Transfers - Note 17	13,585	14,583	9,948
Municipal Surcharge on Natural Gas - Note 1	8,400	8,513	6,670
Other Revenues	6,844	8,489	11,171
Licenses and Levies	3,559	3,709	3,714
Fines	2,570	2,886	2,522
Development Charges	1,406	2,089	2,703
Land Sales	1,000	1,108	3,035
	<u>232,730</u>	<u>241,455</u>	<u>227,061</u>
EXPENDITURES			
Protective Services	63,698	49,498	56,135
Water and Sewer Utility	48,224	39,378	38,444
Community Services	45,865	45,421	45,974
Transportation Services	43,606	39,033	39,883
Corporate Services	26,211	28,858	28,750
Environmental Services	5,965	6,906	5,124
Planning and Development Services	5,535	5,503	5,302
Legislative Services	1,944	1,927	2,217
	<u>241,048</u>	<u>216,524</u>	<u>221,829</u>
Excess of Revenues Over Expenditures	<u>(8,318)</u>	24,931	5,232
Increase (Decrease) in Non-Financial Assets		<u>557</u>	<u>(384)</u>
Change in Municipal Position		<u>25,488</u>	<u>4,848</u>
Municipal Position Beginning of Year, as Originally Stated		5,922	2,603
Prior Period Adjustment - Note 2		<u>(18,465)</u>	<u>(19,994)</u>
Municipal Position Beginning of Year, as Restated		<u>(12,543)</u>	<u>(17,391)</u>
Municipal Position, End of Year		<u>12,945</u>	<u>(12,543)</u>

See accompanying notes.

Consolidated Statement of Changes in Financial Position

For the Year Ended December 31, 2001

(in thousands of dollars)

	2001	2000 (Restated)
OPERATING ACTIVITIES		
Excess of Revenues Over Expenditures	24,931	5,232
Net Change in Non-Cash Working Capital Balance		
Uses		
Increase in Accounts Receivable	(4,523)	(790)
Increase in Taxes Receivable	(823)	-
Decrease in Taxes Payable to School Boards	-	(9,765)
Decrease in Lease Obligations	(444)	-
Decrease in Pension Liability	(14,440)	(176)
Total Uses	(20,230)	(10,731)
Sources		
Decrease in Taxes Receivable	-	9,225
Increase in Taxes Payable to School Boards	6,667	-
Decrease in Property Held for Resale	221	196
Increase in Accounts Payable and Accrued Liabilities	402	2,994
Increase in Deferred Revenue	900	300
Increase in Lease Obligations	-	679
Increase in Landfill Closure and Post Closure	896	836
Increase in Employee Benefits Obligations	287	1,411
Total Sources	9,373	15,641
Net Change in Non-Cash Working Capital Balances	(10,857)	4,910
Cash Provided by Operating Activities	14,074	10,142
INVESTING ACTIVITIES		
Net (Increase) Decrease in Long-Term Investments	3,236	(3,173)
(Increase) Decrease in Short-Term Investments	(2,775)	1,292
Cash Provided by (Used in) Investing Activities	461	(1,881)
FINANCING ACTIVITIES		
Repayment of Long-Term Serial Debt	(7,100)	(7,100)
Repayment of Long-Term Sinking Fund Debt	(2,808)	-
Cash Used in Financing Activities	(9,908)	(7,100)
Increase in Cash Position	4,627	1,161
Cash Position, Beginning of Year	12,407	11,246
Cash Position, End of Year	17,034	12,407

See accompanying notes.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2001

(in thousands of dollars)

1. Significant Accounting Policies

The consolidated financial statements of the City of Regina (the City) are prepared by management in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the City are as follows:

(a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures, and changes in fund balances and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City, namely:

- Water and Sewer Utility
- Operating and Capital Funds
- Sinking Fund
- Regina Public Library
- Regina Regional Economic Development Authority
- Regina Downtown

Inter-departmental and inter-organizational transactions and balances have been eliminated.

The City has an interest in the Buffalo Pound Water Administration Board, a Government Partnership that is proportionately consolidated.

The City owns the Regina Pioneer Village, a Government Business Enterprise that is accounted for using the modified equity method, consistent with the generally accepted accounting treatment for government business enterprises (Note 6). Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the City, and inter-organizational transactions and balances are not eliminated.

Trust funds administered by the City are not included in these financial statements, but are reported on separately in the General Trust Fund financial statements.

(b) Revenue and Expenditure Recognition

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified. Expenditures are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

Property tax revenue is based on the assessment roll as prescribed by Saskatchewan legislation and the formulas, principles and rules contained in the Saskatchewan Assessment Manual. Tax mill rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. A provision has been recorded in Accounts Payable and Accrued Liabilities for potential losses on assessment appeals.

Interest and penalties on overdue taxes are recorded in the period levied.

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2001
(in thousands of dollars)

Municipal surcharges on electricity consist of the municipal surcharge and payments in lieu of taxes received from SaskPower. The municipal surcharge revenue and payments in lieu of taxes are equal to 10% and 5% respectively of the value of the supply of electrical energy provided by SaskPower to customers within the City of Regina limits.

Municipal surcharges on natural gas consist of the payments in lieu of taxes received from SaskEnergy and TransGas. The payment in lieu of taxes received from SaskEnergy is equal to 5% of the gross revenue of all gas sales and deliveries by SaskEnergy to customers within the City of Regina limits. The payments in lieu of taxes received from TransGas is equal to 5% of the value of gas transmitted to a direct sale customer that resides or carries on business within the City of Regina.

(c) Investments

All investments are recorded at cost or amortized cost less amounts written off to reflect a permanent decline in value. Premiums and discounts are amortized over the life of the investment.

(d) Materials and Supplies

Inventories of materials and supplies are valued at average cost.

(e) Taxes Collected for Others

The City collects taxes for the Regina Separate School Board and the Regina Public School Board. These taxes are remitted to the respective Boards less an amount to offset discounts, interest and cancellations relating to school taxes. The taxes collected by the City of Regina for the Regina Public Library Board have been consolidated into these financial statements.

(f) Deferred Revenue

The City receives development charge contributions including payments in lieu of parking and payments in lieu of dedication of public reserve under the authority of provincial legislation and City bylaws. These funds by their nature are restricted in their use and until applied to applicable works are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal period they are expended.

Deferred revenue also includes monies received in advance for taxes, transit passes, servicing and sub-division revenue, prepaid cemetery revenue and pre-season ticket sales from the various recreational facilities throughout the City.

(g) Superannuation and Benefit Plans

The City sponsors contributory defined benefit or defined contribution pension plans for substantially all of its employees. Under the defined contribution plan, the City's obligations are limited to their contributions. These contributions are expensed in the period in which they are made.

Under certain defined benefit pension plans, the cost of pension benefits is actuarially determined using the projected benefit method prorated on service and management's best estimates have been reflected in the actuarial assumptions. Market rates are used to measure the accrued benefit obligation as well as the assets of the pension plans. Actuarial gains and losses on pension obligations and/or pension fund assets are amortized over the average remaining service life of the related employee groups.

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2001
(in thousands of dollars)

Note 1 (continued)

Under certain other defined benefit plans, which are considered multi-employer plans, the City follows defined contribution accounting under which pension expense is limited to the City's contribution to the plan.

The defined benefit pension plans provide benefits based on the highest three years salary and years of service

(h) Capital Assets

Expenditures on capital assets are recognized as expenditures in the period the assets are acquired.

(i) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for local governments as recommended by the Canadian Institute of Chartered Accountants requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(j) Government Transfers

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates can be made.

2. Prior Period Adjustments

During the year the City retroactively changed its previously reported balances as outlined below:

- (a) New Public Sector Section 3250 "Retirement Benefits" was adopted. Under this new accounting pronouncement, the City's liability for pensions is now recorded in the financial statements.
- (b) Accrued debenture, principal and interest, which was overstated prior to 2000, has been restated to Opening Municipal Position.
- (c) Certain items were re-classified to deferred revenue or accounts receivable from the reserves in Opening Municipal Position. All changes to these reserves in 2000 are reflected in restated revenue.
- (d) The financial statement presentation was changed to provide greater clarity and better reflect the nature of the transactions in the financial statements. The changes are re-classifications only, and do not have any impact on the Municipal Position.
- (e) Summation of items (a) through (c). The effect of the restatement items for the periods prior to January 1, 2000, which impact both opening and closing Municipal Position.

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2001
(In thousands of dollars)

Note 2 (continued)

		Restatement Items						
	Balance as Previously Reported						Sub-Total	Balance as
Financial Statement		(a)	(b)	(c)	(d)	(e)	(a) - (e)	Restated
Consolidated								
Statement of								
Financial Position								
Accounts Receivable	\$ 19,547	-	-	\$ 1,471	-	-	-	\$ 21,018
Accounts Payable	(20,083)	-	-	-	(3,305)	-	-	(23,388)
Deferred Revenue	(1,573)	-	-	(1,187)	-	-	-	(2,760)
Accrued Debenture, Principal and Interest	(5,997)	-	5,118	-	879	-	-	-
Coupons Due	(2,426)	-	-	-	2,426	-	-	-
Pension Liability	-	(23,867)	-	-	-	-	-	(23,867)
Municipal Position								
- Opening	2,603	(24,043)	5,118	(1,069)	-	-	(19,994)	(17,391)
- Closing	5,922	176	-	1,353	-	(19,994)	(18,465)	(12,543)
Consolidated								
Statement of								
Financial Activity								
Total Revenues	225,566	-	-	1,353	142	-	-	227,061
Total Expenditures	221,863	(176)	-	-	142	-	-	221,829

3. Short-Term Investments

Short-term investments recorded at a cost of 34,457 (2000 - 31,682) have a market value approximating cost. These investments may include a combination of treasury bills, commercial paper, bankers' acceptances or promissory notes.

4. Taxes Receivable

Taxes receivable have been reported net of an allowance for doubtful accounts of 1,071 (2000 - 1,751). The allowances have been determined through individual appraisal of outstanding amounts.

5. Property Held for Resale

Property acquired through the tax enforcement process and temporarily held is recorded at the lesser of cost and the net recoverable amount. Cost is equal to the outstanding taxes including any applicable penalties, as well as the costs incurred in acquiring the land. Property held for resale has been reported net of an allowance of 977 (2000 - 916) to reflect a reduction in the potential market value that may be realized upon sale. The allowances have been determined through an annual review of each property held for resale.

Saleable land is recorded at nominal value. Proceeds from the sale of land is transferred to General Fund Reserve in the year sold. At year end the approximate market value of saleable land was 11,397 (2000 - 8,872).

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2001
(in thousands of dollars)

6. Long-Term Investments

Long-term investments include:

	Carrying Value		Market Value	
	2001	2000	2001	2000
Government Bonds	28,267	30,136	29,483	30,820
Corporate Bonds	1,489	2,889	1,516	2,881
	29,756	33,025	30,999	33,701
Regina Pioneer Village Ltd.	6,726	6,693	-	-
	36,482	39,718	30,999	33,701

The following is a schedule of relevant financial information for Regina Pioneer Village:

Regina Pioneer Village Ltd.
Condensed Consolidated Statement of Unappropriated Retained Earnings
For the Year Ended March 31, 2001
(in thousands of dollars)

	2001	2000
Unappropriated Retained Earnings Beginning of Year	798	773
Revenues		
Regina Health District	13,255	12,788
Other Revenue	5,972	5,643
	19,227	18,431
Expenses		
Salaries and Wages	13,538	13,085
Other Expenses	5,388	4,934
	18,926	18,019
Appropriations to Reserves	(349)	(387)
Unappropriated Retained Earnings End of Year	750	798

Regina Pioneer Village Ltd.
Condensed Consolidated Statement of Reserves for Future Costs
For the Year Ended March 31, 2001
(in thousands of dollars)

	2001	2000
Reserves Designated for Future Use, Beginning of Year	598	481
Interest Allocated	24	19
Expenditures	(292)	(289)
Appropriations from Operations	349	387
Reserves Designated for Future Use, End of Year	679	598

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2001
(in thousands of dollars)

Note 6 (continued)

Regina Pioneer Village Ltd.
Condensed Consolidated Balance Sheet
As at March 31, 2001
(in thousands of dollars)

	2001	2000
Current Assets	2,953	2,659
Capital Assets	14,418	14,556
Other	679	599
	<u>18,050</u>	<u>17,814</u>
Current Liabilities	2,366	2,011
Long Term Liabilities	8,958	9,110
Member's Equity	6,726	6,693
	<u>18,050</u>	<u>17,814</u>

7. Long-Term Debt

(a) Debt

The City's authorized debt limit as at December 31, 2001 is 94,000 (2000 - 94,000) of which 32,300 (2000 - 42,208) has been utilized. Total interest incurred on the debt during 2001 was 2,607 (2000 - 2,969).

Year Repayable	Coupon Interest Rate %	Total Debt
2002	5.500 - 8.875	5,600
2003	5.500 - 8.885	5,600
2004	5.500 - 8.875	5,600
2005	5.625 - 9.000	5,600
2006	5.625 - 6.750	4,300
2007	5.625 - 6.750	4,300
2008	5.750	1,300
		<u>32,300</u>

During 2001 in addition to the normal repayment of 7,100 of the serial debt, the remaining sinking fund debt of 2,808 was retired and the sinking fund was extinguished.

All debt is issued in Canadian dollars.

(b) Bank Indebtedness

Pursuant to Bylaw 2001-1 *The Temporary Borrowing Bylaw, 2001*, the City can incur bank indebtedness. Interest on this indebtedness is calculated at the prime rate of interest less ½%, payable monthly and may have securities of the City pledged or mortgaged as security for the debt obligation. In 2001, no securities of the City were pledged as security for the debt obligation as provided by this bylaw.

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2001
(in thousands of dollars)

8. Taxation Revenue

	2001	2000
Total Taxation Revenue Levied	222,600	208,628
Taxes Collected on Behalf of Others:		
Regina School Division No. 4	(76,548)	(72,475)
Regina Roman Catholic Separate School Division No. 81	(34,257)	(31,608)
Taxation Revenue for City of Regina and Consolidated Entity	111,795	104,545
Comprised of:		
Municipal	90,499	85,429
Regina Public Library	10,525	9,515
Regina Downtown	203	317
Grants in Lieu	7,990	6,574
Supplementary Taxes	553	778
Other	2,025	1,932
	111,795	104,545

9. Employee Benefit Obligations

Under various union agreements and benefits provided to out-of-scope staff, unused sick leave can accumulate and employees may be entitled to a cash payment when they leave the employment of the City.

Certain employees of the Police and Transit Departments are not eligible for vested sick leave benefits but may receive severance or retirement allowances.

In 1993, an enhanced early retirement program was offered by the City to certain employees. Employees who chose to participate in the program receive monthly incentive payments until age 65.

Employee Benefit Obligations include:

	2001	2000
Undiscounted Vested Sick Leave	11,819	11,863
Undiscounted Liability for Vacation Pay	8,734	8,122
Enhanced Early Retirement Program	-	281
Total Employee Benefit Obligations	20,553	20,266

10. Superannuation and Benefit Plans

The City of Regina sponsors contributory defined benefit or defined contribution pension plans for substantially all of its employees. Currently, there are five pension plans – Civic Pension Plan, Elected Official Pension Plan, Police Pension Plan, Casual and Elected Official Pension Plan and Chief of Police Pension Plan. There is also a Civic Long-Term Disability plan.

**Notes to Consolidated Financial Statements
For the Year Ended December 31, 2001
(in thousands of dollars)**

Note 10 (continued)

(a) Chief of Police Pension Plan

The Chief of Police Pension Plan is a defined benefit pension plan. The Chief of Police's contribution is 9% of salary. The City matches the Member's contribution to the plan subject to the maximum funding limits established in *The Income Tax Act* under Regulation 8515. Pension fund assets are invested primarily in marketable investments of organizations external to the City.

Actuarial valuations are performed using the projected benefit method prorated on services. The most recent actuarial report was prepared at December 31, 2001. There is a net unamortized actuarial loss of (66) (2000 – (8)) to be amortized on a straight-line basis over the expected average remaining service life of the related employee group (2001 – four years; 2000 – five years).

The actuarial valuation was based on a number of assumptions about future events such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect the City's best estimates. The expected inflation rate is 3.5% and the rate of compensation increase is 5.0%. The discount rate used to determine the accrued benefit obligation is 6.75%.

Pension fund assets are valued at market values. The expected long-term rate of return on plan assets is 6.75%. The actual return on plan assets was –4.5% in 2001 (–3.0% – 2000).

The unfunded pension liability and the pension/interest expense for the Chief of Police Pension Plan are disclosed below.

(b) Police Pension Plan

The Police Pension Plan is a defined benefit pension plan. Member's contributions range from 9.33-10.83% of salary. The City's contribution to the plan range from 9.83-11.33%. Pension fund assets are invested primarily in marketable investments of organizations external to the City.

Actuarial valuations are performed using the projected benefit method prorated on services. The most recent actuarial report was prepared at December 31, 2000. The accrued benefit obligation shown for 2001 is based on an extrapolation of that valuation. There is a net unamortized actuarial (loss) gain of (582) (2000 – 9,064) to be amortized on a straight-line basis over the expected average remaining service life of the related employee groups of 12.2 years.

The actuarial valuation was based on a number of assumptions about future events such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect the City's best estimates. The expected inflation rate is 2.5% and the rate of compensation increase is 3.5%. The discount rate used to determine the accrued benefit obligation is 7.00%.

Pension fund assets are valued at market values. The expected long-term rate of return on plan assets is 7.00%. The actual return on plan assets was 2.2% in 2001 (11% in 2000).

During the year, the pension liability was reduced as a result of a settlement arising from a lawsuit against a former actuary.

The unfunded pension liability and the pension/interest expense for the Police Pension Plan are disclosed below.

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2001
(in thousands of dollars)

Note 10 (continued)

Pension liability at December 31, 2001 includes the following:

City of Regina
Unfunded Pension Liability for Chief of Police Pension Plan and Police Pension Plan
As at December 31, 2001

	Chief of Police Pension Plan		Police Pension Plan	
	2001	2000	2001	2000
Accrued Benefit Obligations	579	481	171,117	164,283
Pension Fund Assets:				
Marketable Securities	(246)	(233)	(161,321)	(149,666)
	333	248	9,796	14,617
Unamortized Actuarial Gains(Losses)	(66)	(8)	(582)	9,064
	267	240	9,214	23,681
Less: Undiscounted Value of Member's Future Contribution to Unfunded Liability	(54)	(54)	-	-
Unfunded Pension Liability	<u>213</u>	<u>186</u>	<u>9,214</u>	<u>23,681</u>

The Pension-Related Expense includes the following components:

City of Regina
Pension-Related Expense for Chief of Police Pension Plan and Police Pension Plan
Year Ended December 31, 2001

	Chief of Police Pension Plan		Police Pension Plan	
	2001	2000	2001	2000
Pension Expense:				
Current Period Benefit Cost	24	23	4,529	4,286
Amortization of Actuarial (Gains)Losses	2	-	(743)	-
	26	23	3,786	4,286
Less: Member Contributions	10	9	2,868	2,860
Pension Expense	<u>16</u>	<u>14</u>	<u>918</u>	<u>1,426</u>
Interest Expense:				
Interest During Year on the Average Pension Liability Outstanding during the Year	18	29	677	1,626
Total Pension-Related Expenses	<u>34</u>	<u>43</u>	<u>1,595</u>	<u>3,052</u>

Note: The pension-related expense is included in the Consolidated Statement of Financial Activities and Changes in Municipal Position as a Protective Services expenditure.

**Notes to Consolidated Financial Statements
For the Year Ended December 31, 2001
(In thousands of dollars)**

Note 10 (continued)

(c) Regina Civic Employees' Superannuation and Benefit Plan

The Regina Civic Employees' Superannuation and Benefit Plan is a multi-employer defined benefit plan which includes employees of the Regina Health District (the Regina General Hospital Division and Community Health Division), the Regina Public Library Board, the Buffalo Pound Water Administration Board and the non-teaching staff of the Board of Education of the Regina School Division No. 4 of Saskatchewan.

Members' contributions are a percentage of salary ranging from 6.3-7.9%. The City matches the employees' contribution to the Plan. Employees' contributions for 2001 were 9,856 (2000 – 9,478). The City's contributions for 2001 were 9,722 (2000 – 9,373).

The most recent actuarial valuation for the Regina Civic Employees' Superannuation and Benefit Plan that has been completed was at December 31, 1998. Based on the accrued benefit actuarial cost method, the actuarial surplus extrapolated to December 31, 2001 was 5,085 (2000 – 35,207).

Since the Civic Pension Plan is a multi-employer defined benefit pension plan, defined contribution accounting has been applied and the City of Regina's pension expense is limited to their contributions to the plan.

(d) Regina Civic Employees' Long Term Disability Plan

The Regina Civic Employees' Long Term Disability Plan is a multi-employer defined benefit plan which includes employees of the Regina Health District (the Regina General Hospital Division and Community Health Division), the Regina Public Library Board, the Buffalo Pound Water Administration Board and the non-teaching staff of the Board of Education of the Regina School Division No. 4 of Saskatchewan.

Members' contribution are 0.83% of salary. The City matches the employees' contribution to the Plan. Employees' contributions for 2001 were 1,211 (2000 – 1,159). The City's contributions for 2001 were 1,211 (2000 – 1,159).

The most recent actuarial valuation for the Regina Civic Employees' Long Term Disability Plan that has been completed was at December 31, 1998. Based on the accrued benefit actuarial cost method, the unfunded liability extrapolated to December 31, 2001 was 2,976 (2000 – 2,295).

Since the Civic Long Term Disability Plan is a multi-employer defined benefit plan, defined contribution accounting has been applied and the City of Regina's pension expense is limited to their contributions to the plan.

(e) Casual Employees' Superannuation and Elected Officials' Money Purchase Pension Plan

The Casual Employees' Superannuation and Elected Officials' Money Purchase Pension Plan is a defined contribution plan. Members' contributions are 3% (Casual Employees') and 6.95% (Elected Officials') of salary. The City matches the contributions to the Plan. Members' contributions for 2001 were 165 (2000 – 169). The City's contributions for 2001 were 164 (2000 – 169). Since this is a defined contribution plan, the City of Regina's pension expense is limited to their contributions to the plan.

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2001
(In thousands of dollars)

Note 10 (continued)

(f) Elected Officials' Pension Plan

In 2001, City Council approved the dissolution of the Elected Officials' Pension Plan since there are no active members in the plan. At December 31, 2001, there were 13 members receiving retirement benefits. All newly elected officials participate in the Casual Employees' Superannuation and Elected Officials' Money Purchase Plan.

The City contributed 46 to cover the unfunded liability in the plan. An annuity was purchased to pay the monthly retirement benefits to the remaining members. Through the purchase of this annuity, the City is absolved of all payments to retirees.

11. Landfill Closure and Post-Closure

The main components of the landfill closure plan are final capping using selected specific layers of earthen materials based on an engineered cap design, implementation of a drainage management plan and gas management plan. The post-closure care requirements will involve cap maintenance, groundwater monitoring, gas management system operation and maintenance, inspections and annual reports.

The estimated liability for this care is the present value of future cash flows associated with closure and post-closure costs discounted using the City's average long-term borrowing rate of 5.5%. The change in liability is recorded based on the capacity of the landfill used to date. The liability is expected to be funded through budget allocations to the landfill reserve over the remaining life of the landfill.

Details of the liability are as follows:

	2001	2000
Estimated Undiscounted Outflow	32,000	32,200
Landfill Closure and Post-Closure Liability	11,949	11,053
Amounts to be Recognized in the Future	20,051	21,147
Unfunded Landfill Liability	10,583	9,498
Landfill Currently Funded through Capital Projects	1,366	1,555
Landfill Closure and Post-Closure Liability	11,949	11,053

The estimated total capacity of the site is approximately 10.5 million tonnes, which translates to a remaining life of 9 to 11 years. Post-closure care is estimated to continue for a period of approximately 30 years.

The liability recognized in the financial statement is subject to measurement uncertainty. The recognized amounts are based on the City's best information and judgement. Amounts could change by more than a material amount in the long-term.

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2001
(In thousands of dollars)

12. Trust Funds

The City of Regina administers two trust funds: Perpetual Care Trust and the Williamson Driver Award. These trusts, amounting to 2,743 and 4 (2000 – 2,742 and 4), respectively have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Financial Activities and Changes In Fund Balance. Details of these funds are published in the General Trust Fund Financial Statements.

13. Related Party Transactions

The following related party transactions are included in the consolidated financial statements:

	2001	2000 (Restated)
Accounts Receivable include the following due from:		
The Elected Officials' Pension Plan	1	6
The Police Superannuation and Benefit Plan	920	497
The Civic Employees Superannuation and Benefit Plan	494	492
The Regina Civic Employees' Long Term Disability	111	129
The Chief of Police Pension Plan	-	9
The Buffalo Pound Water Administration Board	186	57
Accounts Payable and Accrued Liabilities includes the following due to:		
The Police Superannuation and Benefit Plan	8	91
The Civic Employees Superannuation and Benefit Plan	31	-
The Chief of Police Pension Plan	1	2
Included in Revenues are the following amounts:		
The Elected Officials' Pension Plan	9	6
The Police Superannuation and Benefit Plan	1,083	528
The Civic Employees' Superannuation and Benefit Plan	709	625
Included in the Expenses is the following amount:		
The Casual Employees' Superannuation Plan	15	14

14. Commitments

The City is committed to the following rental payments for operating leases.

2002	153
2003	155
2004	132
2005	141
Thereafter	152
Total Lease Payments	<u>733</u>

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2001
(In thousands of dollars)

Note 14 (continued)

The City is committed to future minimum capital lease payments under computer equipment, software and building contracts expiring from February 28, 2002 to December 31, 2014. The following is a schedule of future minimum lease payments under the capital leases together with the balance of the obligations under capital leases:

2002	951
2003	540
2004	231
2005	211
2006	211
Thereafter	1,813
Total Minimum Lease Payments	<u>3,957</u>
Less Amount Representing Interest at 9.25% and 5.5%	<u>(1,286)</u>
Balance of Obligations	<u><u>2,671</u></u>

15. Government Partnership

The Buffalo Pound Water Administration Board operates under an agreement between the Cities of Moose Jaw and Regina for the purpose of operating the Water Treatment Plant at Buffalo Pound Lake to supply water to the two cities at cost. Any distribution of surplus (recovery of deficit), in a particular fiscal year is shared between the cities according to their respective usage.

All amounts are proportionately consolidated within the consolidated financial statements at 73.33% (2000 - 73.25%), the City's interest in the government business partnership.

All transactions between the entities are eliminated upon proportionate consolidation.

The following is a schedule of a relevant financial information as stated within the financial statement of the Buffalo Pound Water Administration Board. These amounts represent 100% of the Board's financial position and activities.

Buffalo Pound Water Administration Board
Condensed Statement of Financial Position
As at December 31, 2001
(In thousands of dollars)

	2001	2000
Financial Assets	2,470	1,401
Other Assets	51,709	51,552
	<u>54,179</u>	<u>52,953</u>
Financial Liabilities	1,907	1,178
Equity	52,272	51,775
	<u>54,179</u>	<u>52,953</u>

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2001
(In thousands of dollars)

Note 15 (continued)

Buffalo Pound Water Administration Board
Condensed Statement of Financial Activities
For the Year Ended December 31, 2001
(In thousands of dollars)

	2001	2000
Revenue	6,773	5,542
Expenditures	5,950	5,668
Excess of Revenue over Expenditures	823	(126)
Distribution to Partners	(823)	126
Balance for the Year	-	-

The transactions between the City and the government business partnership as stated within the financial statements of the Buffalo Pound Water Administration Board are as follows:

	2001	2000 (Restated)
Financial Assets	393	343
Financial Liabilities	1,108	583
Revenue	5,502	4,647
Expenditures	148	498

16. Operating Expenditures by Object

	2001	2000 (Restated)
Wages and Benefits	101,528	109,273
Materials, Supplies and Other Goods	41,222	42,985
Capital Expenditures	40,337	37,799
Utilities	10,786	10,765
Transfer Payments	6,914	5,846
Other Purchased Services	5,659	7,340
Professional and Special Services	5,439	4,906
Transportation and Communication	4,639	2,915
Total	216,524	221,829

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2001
(In thousands of dollars)

17. Government Transfers

The following government transfers have been included in revenues:

	2001	2000 (Restated)
Operating Transfers		
Federal	427	454
Provincial	8,748	7,744
	<u>9,175</u>	<u>8,198</u>
Capital Transfers		
Federal	1,692	-
Provincial	3,716	1,750
	<u>5,408</u>	<u>1,750</u>
	<u>14,583</u>	<u>9,948</u>

Government transfers do not include grants received in lieu of taxes from the federal and provincial government. These amounts are included in Taxation Revenues.

18. Internally Restricted Funds

Internally Restricted Funds are comprised of:

	2001	2000 (Restated)
Capital Fund - Schedule 2	32,425	30,118
Reserves - Schedule 3	43,049	42,377
	<u>75,474</u>	<u>72,495</u>

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2001
(In thousands of dollars)

19. Amounts to be Recovered from Future Revenues

The following amounts are included in the amounts to be recovered from future revenues:

	2001	2000 (Restated)
Lease Obligations - Note 14	(2,671)	(3,115)
Long-Term Debt - Note 7	(32,300)	(42,208)
Unfunded Employee Benefits Obligations - Note 9	(20,553)	(20,266)
Unfunded Pension Liability - Note 10	(9,427)	(23,867)
Unfunded Landfill Liability - Note 11	(10,583)	(9,498)
	<u>(75,534)</u>	<u>(98,954)</u>

20. Comparative Figures

Certain of the 2000 figures have been reclassified to conform to the 2001 financial statement presentation.

Consolidated Schedule of Unrestricted Fund

For the Year Ended December 31, 2001
(in thousands of dollars)

	Budget 2001	Actual 2001	Actual 2000 (Restated)
REVENUE			
Taxation Revenues	110,959	111,795	104,545
Water and Sewer Utility Revenues	44,914	47,431	43,889
Fees and Charges	20,593	21,982	20,799
Municipal Surcharge on Electricity	18,900	18,870	18,065
Municipal Surcharge on Natural Gas	8,400	8,513	6,670
Government Transfers	8,205	9,175	8,198
Other Revenues	6,229	7,742	7,737
Licenses and Levies	3,559	3,633	3,676
Fines	2,570	2,886	2,522
	<u>224,329</u>	<u>232,027</u>	<u>216,101</u>
EXPENDITURES			
Protective Services	58,765	44,101	55,432
Community Services	42,749	41,935	39,491
Water and Sewer Utility	33,464	27,373	24,537
Transportation Services	31,312	25,273	28,821
Corporate Services	19,638	26,074	24,292
Planning and Development Services	5,535	5,503	5,302
Environmental Services	5,005	5,597	4,088
Legislative Services	1,944	1,927	2,217
	<u>198,412</u>	<u>177,783</u>	<u>184,180</u>
Excess of Revenues Over Expenditures	<u>25,917</u>	<u>54,244</u>	31,921
Decrease in Amounts to be Recovered		(23,420)	(4,188)
Increase (Decrease) in Non-Financial Assets		557	(384)
Transfer to Capital Fund		(16,431)	(13,834)
Transfer to Reserves		(15,861)	(13,437)
Change in Unrestricted Fund Balance		(911)	78
Unrestricted Fund Balance, Beginning of Year		<u>13,916</u>	<u>13,838</u>
Unrestricted Fund Balance, End of Year		<u>13,005</u>	<u>13,916</u>

Consolidated Schedule of Capital Fund

For the Year Ended December 31, 2001
(in thousands of dollars)

	Budget 2001	Actual 2001	Actual 2000 (Restated)
REVENUE			
Government Transfers	5,380	5,408	1,750
Development Charges	1,406	2,089	2,703
Land Sales	1,000	1,108	3,035
Other Revenues	615	691	3,369
Local Improvement Levies	-	76	38
	<u>8,401</u>	<u>9,372</u>	<u>10,895</u>
EXPENDITURES			
Water and Sewer Utility	14,760	12,005	13,908
Transportation Services	12,294	13,760	11,062
Corporate Services	6,573	2,784	4,458
Protective Services	4,933	5,397	703
Community Services	3,116	3,486	6,483
Environmental Services	960	1,309	1,035
	<u>42,636</u>	<u>38,741</u>	<u>37,649</u>
Excess of Expenditures Over Revenues	<u>(34,235)</u>	<u>(29,369)</u>	<u>(26,754)</u>
Transfer from Unrestricted Fund		16,431	13,834
Transfer from Reserves		15,245	11,039
Change in Capital Fund Balance		2,307	(1,881)
Capital Fund Balance, Beginning of Year		30,118	31,999
Capital Fund Balance, End of Year		<u>32,425</u>	<u>30,118</u>

At year end the following amounts have been internally restricted from the fund balance for the completion or continuation of capital projects in the following areas:

	2001	2000
General Municipal	22,326	21,748
Water and Sewer Utility	10,099	8,370
	<u>32,425</u>	<u>30,118</u>

Consolidated Schedule of Reserves

For the Year Ended December 31, 2001
(in thousands of dollars)

	Actual 2001	Actual 2000 (Restated)
REVENUE		
Interest Income	56	65
Transfer from Unrestricted Fund	15,861	13,437
Transfer to Capital Fund	(15,245)	(11,039)
Change in Reserve Balance	672	2,463
Reserve Balance, Beginning of Year	42,377	39,914
Reserve Balance, End of Year	43,049	42,377

The Reserve balance includes:

	2001	2000
General Fund Reserve	16,524	5,790
Cultural Heritage Special Capital Project Reserve	1,014	972
Landfill Reserve	7,081	6,033
Golf Course Reserve	930	866
Winter Road Maintenance Reserve	2,809	2,579
Police Services Reserve	87	86
Regina Grants Reserve	275	285
Alley Maintenance Reserve	192	-
Cemetery Reserve	435	351
Employer Provided Parking Reserve	278	192
Social Development Reserve	640	179
Gravel Supply Reserve	518	519
Police Services Radio Equipment Reserve	250	174
Technology Reserve	57	36
Asphalt Plant Reserve	876	934
Equipment Replacement Reserve	8,327	8,018
Equipment Replacement Reserve - Transit	134	114
Equipment - Facilities	-	116
General Utility Reserve	5,425	9,887
Development Charges - Roadways	(4,399)	(5,084)
Development Charges - Water, Wastewater and Drainage	(5,344)	(5,536)
Real Estate	-	2,287
General Capital Reserve	-	7,474
Financial Commitments	592	584
Buffalo Pound Water Administration Fund	597	347
Group Benefit Reserves	5,751	5,174
Total	43,049	42,377

City of Regina

General Trust Fund



Auditors' Report

To His Worship the Mayor and Members of City Council

We have audited the balance sheet of the General Trust Fund as at December 31, 2001 and the statement of revenue, expenditures and fund balance for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the General Trust Fund as at December 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Regina, Canada,
April 16, 2002

Statement of Financial Position

As at December 31, 2001
(in thousands of dollars)

	Perpetual Care Trust	Williamson Driver Award	Total 2001	Total 2000
Assets				
Current Assets				
Cash	9	-	9	22
Accrued Interest	45	-	45	45
	<u>54</u>	<u>-</u>	<u>54</u>	<u>67</u>
Long-Term Investments - Note 3	2,689	4	2,693	2,679
	<u>2,743</u>	<u>4</u>	<u>2,747</u>	<u>2,746</u>
Liabilities and Fund Balance				
Due to Other Funds	208	-	208	213
Fund Balance	2,535	4	2,539	2,533
	<u>2,743</u>	<u>4</u>	<u>2,747</u>	<u>2,746</u>

See accompanying notes.

Statement of Revenue, Expenditures and Change in Fund Balance
For the Year Ended December 31, 2001
(in thousands of dollars)

	Perpetual Care Trust	Williamson Driver Award	Total 2001	Total 2000
Revenue				
Contributions	6	-	6	5
Investment Income	195	-	195	192
	<u>201</u>	<u>-</u>	<u>201</u>	<u>197</u>
Expenditures				
Cemetery Maintenance	195	-	195	192
	<u>195</u>	<u>-</u>	<u>195</u>	<u>192</u>
Excess of Revenue over Expenditures	6	-	6	5
Fund Balance, Beginning of Year	2,529	4	2,533	2,528
Fund Balance, End of Year	<u>2,535</u>	<u>4</u>	<u>2,539</u>	<u>2,533</u>

Notes to Financial Statements

For the Year Ended December 31, 2001

(in thousands of dollars)

1. Purpose of Fund

The General Trust Fund holds two trusts as established by the City of Regina:

- (a) Perpetual Care Trust – Established by the City of Regina under Section 19 of *The Cemeteries Act*. Funds received through the sale of cemetery plots are held in the trust and invested. Income earned on the investments is used to cover operating expenses incurred in the General Operating Fund of the City of Regina for perpetual care.
- (b) Williamson Driver Award – Established under *The Trust Act*. A bond was bequeathed to the City and each year an award is made from the income to a Transit employee with a safe driving record.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following policies are considered to be significant:

- (a) The preparation of the financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.
- (b) Investment revenue is recorded on the accrual basis.

3. Financial Instruments

The carrying value of accrued interest and the due to other funds approximates the fair market value due to the short-term maturities of these instruments.

Interest rate risk refers to the adverse consequences of interest rate changes on the General Trust's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the General Trust's assets and liabilities.

4. Long-Term Investments

Investments which are recorded at amortized cost of 2,693 (2000 – 2,679) have a market value of 2,830 (2000 – 2,828). These long-term investments are composed of Government of Canada bonds and Provincial Government bonds.

5. Statement of Cash Flows

A statement of cash flows has not been prepared for the year ending December 31, 2001, as it would not provide any additional information.

City of Regina

Statistical Section

Assessment and Taxation Information

Mill Rates

	Municipal	Schools	Library	Total
1996	70.100	78.900	7.490	156.490
1997	17.603	19.813	1.880	39.296
1998	17.603	19.813	1.880	39.296
1999	17.937	20.189	1.916	40.042
2000	18.176	20.391	1.935	40.502
2001	17.655	19.529	1.880	39.064

Taxable Assessment (in thousands of dollars)

	Property	Business	Total
1996	1,075,032	141,339	1,216,371
1997	4,716,224	496,394	5,212,618
1998	4,703,059	385,455	5,088,514
1999	4,804,994	195,249	5,000,243
2000	4,776,282	-	4,776,282
2001	5,227,401	-	5,227,401

Note: In 2000, the business tax was eliminated. The tax was reduced in 1998 and 1999 prior to the elimination in 2000.

Property Taxes

Property taxes are calculated by applying a mill rate and mill rate factor to each property assessment. The mill rate and mill rate factor together are known as the tax rate.

Taxable Assessment	x	Mill Rate	x	Mill Rate Factor	=	Property Tax
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Mill rate factors are established for each property class or subclass. Within the residential property class, the mill rate factors are 0.8789 for residential single family and condominium, 1.2693 for multi-unit residential and 1.1749 for all other properties.

Assessment and Taxation Information

Tax Levies and Collection (in thousands of dollars)

	1997	1998	1999	2000	2001
Municipal Tax Levy	87,342	87,991	88,313	85,429	90,499
School Boards Tax Levy	98,992	101,725	108,336	104,083	110,805
Library Tax Levy	9,394	9,653	10,283	9,515	10,525
Total Tax Levy	195,728	199,369	206,932	199,027	211,829
Tax Levy Per Capita	1,050	1,065	1,100	1,052	1,107
Tax Arrears at End of Year	12,920	10,890	10,599	7,847	8,247
Arrears as a % of Total Tax Levy	6.60%	5.46%	5.12%	3.93%	3.89%

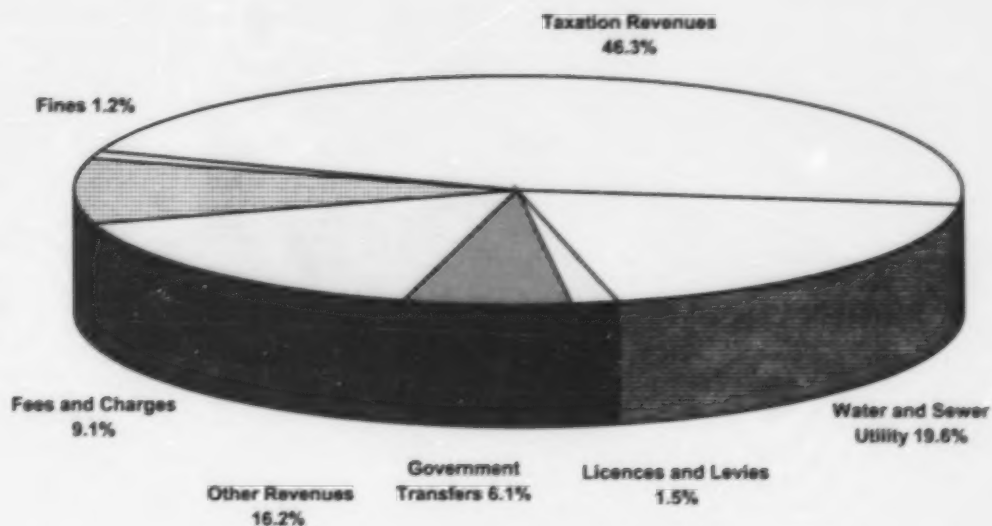
Major Property Taxpayers in Regina in 2001

Registered Owner	Total Taxable Assessment (in thousands of dollars)
1. The Cadillac Fairview Corporation Limited	86,609
2. HDL Investments	65,053
3. Boardwalk Equities Inc.	54,155
4. Consumer's Co-operative Refineries Limited	53,825
5. SM Realty Holdings Inc.	50,365
6. Continental Saxon Holdings Limited	37,226
7. Saskatchewan Housing Corporation	34,237
8. Pyxis Real Estate Equities Inc.	33,129
9. Golden Mile G. P. Limited	25,786
10. Regina Airport Authority	24,517
11. Westfair Properties Ltd.	22,779
12. 791787 Alberta Ltd.	17,997
13. General Properties Ltd.	13,618
14. Ardvark Investments Inc.	13,478
15. Remail Investment Corporation	13,403

The list of major taxpayers does not include properties where grants or payments in lieu of property tax are paid.

Financial Information

2001 Revenue Distribution



Revenue Summary (in thousands of dollars)

	1997	1998	1999	2000 (Restated)	2001
Taxation Revenues	95,089	96,607	98,379	104,545	111,795
Water and Sewer Utility	41,610	44,144	43,049	43,889	47,431
Other Revenues ⁽¹⁾	33,135	36,489	41,911	41,644	39,069
Fees and Charges	29,975	31,522	32,141	20,799	21,982
Government Transfers	5,542	5,614	6,575	9,948	14,563
Licences and Levies	3,496	3,975	3,608	3,714	3,709
Fines	1,874	2,025	1,923	2,522	2,886
Total	210,721	220,356	227,586	227,061	241,455

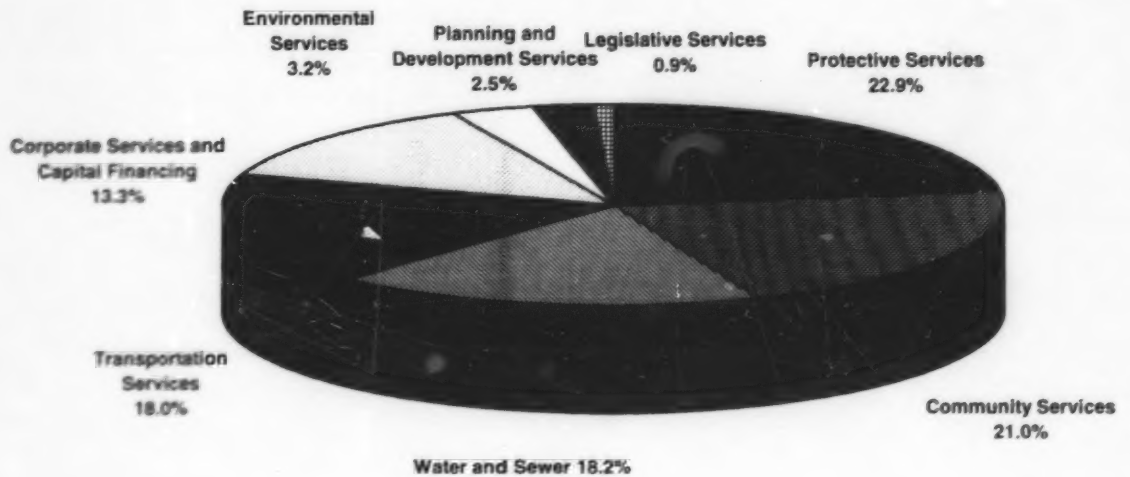
Note:

1. Other Revenues include Municipal Surcharge on Electricity, Municipal Surcharge on Natural Gas, Land Sales and Development Charges.

Information for 1997 does not include the consolidation of Buffalo Pound Water Administration Board, the government partnership. Information for 1998 to 2001 is from the consolidated financial statements.

Financial Information

2001 Expenditure Distribution



Expenditure Summary (in thousands of dollars)

	1997	1998	1999	2000 (Restated)	2001
Protective Services	50,818	51,156	53,511	56,135	49,498
Community Services	37,916	37,951	38,645	45,974	45,421
Water and Sewer Utility	33,951	33,183	34,143	38,444	39,378
Transportation Services	28,716	28,272	29,678	39,883	39,033
Corporate Services and Capital Financing	47,751	57,553	49,543	28,750	28,858
Environmental Services	4,043	4,215	4,393	5,124	6,906
Planning and Development Services	4,840	4,827	5,236	5,302	5,503
Legislative Services	2,319	1,936	1,664	2,217	1,927
Total	210,354	219,093	216,813	221,829	216,524

Information for 1997 does not include the consolidation of Buffalo Pound Water Administration Board, the government partnership. Information for 1998 to 2001 is from the consolidated financial statements.

Financial Information

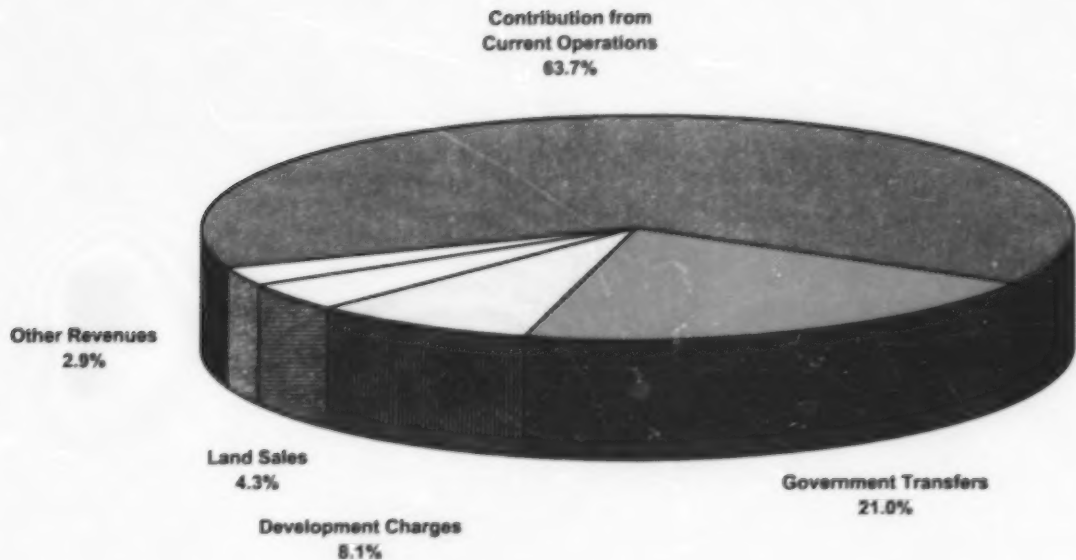
Operating Expenditures by Object (In thousands of dollars)

	1997	1998	1999	2000 (Restated)	2001
Wages and Benefits	94,323	101,561	105,989	109,273	101,528
Materials, Supplies and Other Goods	36,351	37,689	39,997	42,985	41,222
Capital Expenditures	13,660	40,194	31,925	37,799	40,337
Utilities	9,739	10,573	10,859	10,765	10,786
Transfer Payments	6,159	5,987	5,619	5,846	6,914
Finance Charges	21,958	14,133	13,217	7,340	5,659
Professional and Special Services	3,906	4,382	4,698	4,906	5,439
Transportation and Communication	4,288	4,574	4,509	2,915	4,639
Total	190,384	219,093	216,813	221,829	216,524

Information for 1997 is not consolidated. Information for the years 1998 to 2001 is from the consolidated financial statements.

Financial Information

2001 Capital Funding Distribution

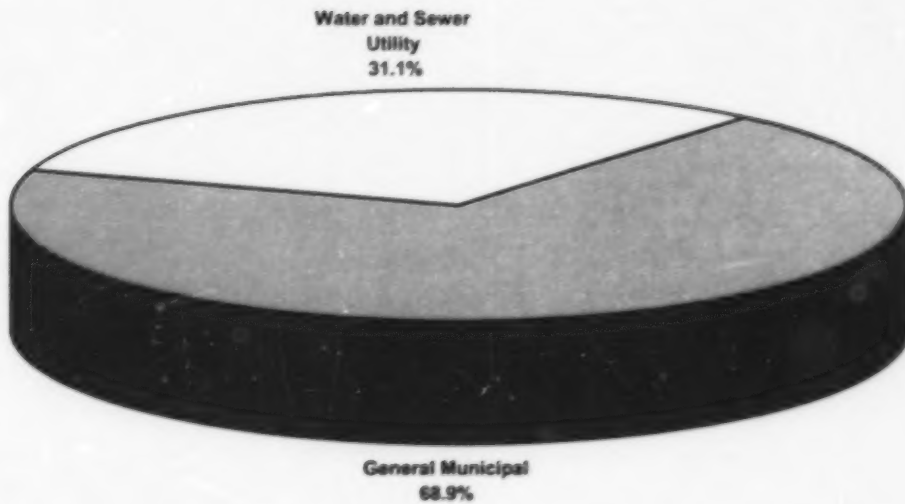


Capital Funding Summary (in thousands of dollars)

	1997	1998	1999	2000 (Restated)	2001
Contribution from Current Operations	13,983	13,710	12,437	13,834	16,431
Government Transfers	400	3,917	130	1,750	5,408
Development Charges	1,627	1,205	2,100	2,703	2,089
Land Sales	1,773	586	337	3,035	1,108
Other Revenues	2,117	2,307	8,037	3,407	767
Debt Issue	30,000	13,000	-	-	-
Total	49,900	34,725	23,041	24,729	25,803

Financial Information

2001 Capital Fund Distribution



Capital Fund Summary (in thousands of dollars)

	1997	1998	1999	2000 (Restated)	2001
General Municipal	26,408	20,066	21,422	21,748	22,326
Water and Sewer Utility	10,475	18,315	10,151	8,370	10,099
Total	36,883	38,381	31,573	30,118	32,425

Debt Information

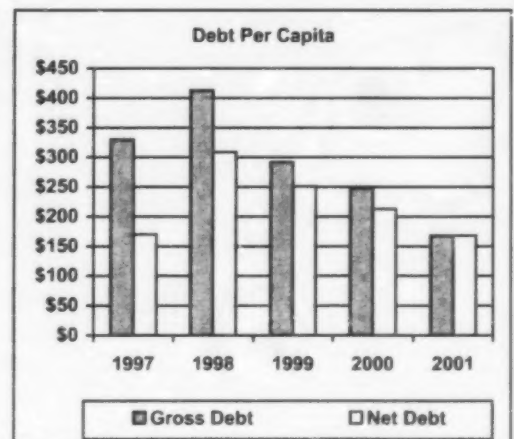
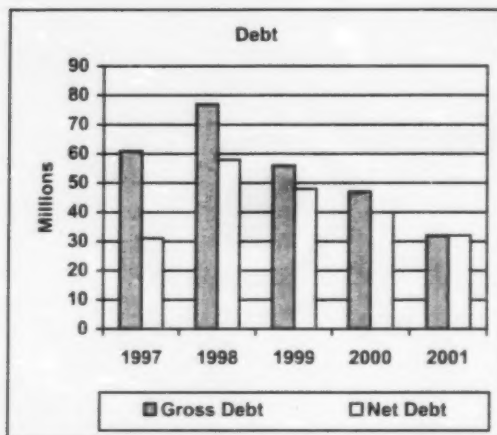
Debt at December 31, 2001 (in thousands of dollars)

The total amount of debt owing by the City of Regina is 32,300. This debt was issued for completion of water and sewer services.

The City of Regina's authorized debt limit is 94,000 (2000 – 94,000). The debt limit is approved by the Saskatchewan Municipal Board pursuant to the provisions of *The Urban Municipality Act, 1984*. Of this amount, 32,300 (2000 – 46,878) has been utilized at year-end.

The City of Regina does not have any overlapping debt from other municipalities.

All debt is issued in Canadian dollars.



Debt Information

Debt Service Costs (in thousands of dollars)

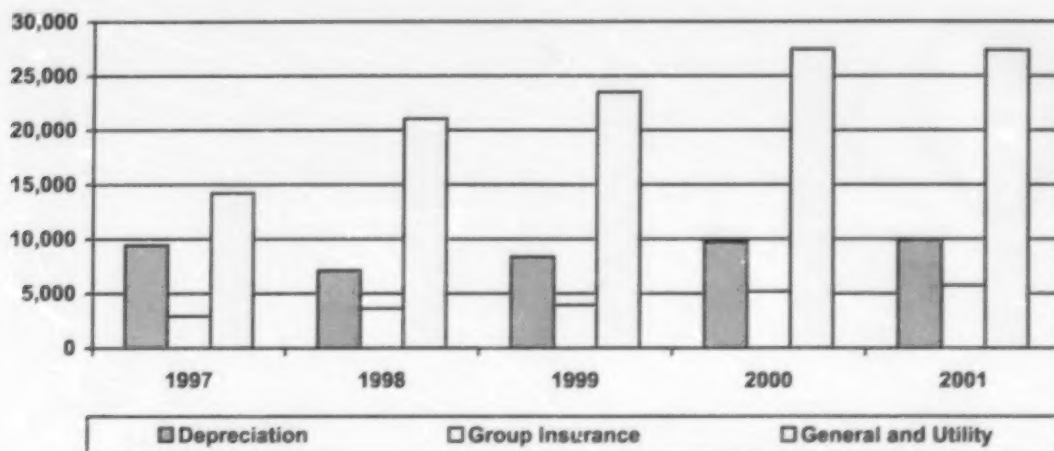
	1997	1998	1999	2000	2001
General Municipal Debt					
Principal	565	491	245	-	-
Interest	2,400	1,439	1,161	869	195
Sinking Fund Levies	849	566	406	296	60
	<u>3,814</u>	<u>2,496</u>	<u>1,812</u>	<u>1,165</u>	<u>255</u>
Water and Sewer Utility					
Principal	6,538	7,522	7,489	7,100	7,100
Interest	6,856	5,141	4,855	3,149	2,400
Sinking Fund Levies	1,254	956	920	86	15
	<u>14,648</u>	<u>13,619</u>	<u>13,264</u>	<u>10,335</u>	<u>9,515</u>
Total	<u><u>18,462</u></u>	<u><u>16,115</u></u>	<u><u>15,076</u></u>	<u><u>11,500</u></u>	<u><u>9,770</u></u>
Debt Service Costs as a Per Cent of Total Expenditures	9.7%	8.5%	7.7%	5.9%	4.8%
Debt Service Costs as a Per Cent of Total Revenues	9.5%	8.1%	7.4%	5.5%	4.3%

Analysis of Debt (in thousands of dollars)

	1997	1998	1999	2000	2001
Total Debt Outstanding (Beginning of Year)	63,280	77,096	77,459	55,768	46,878
Debt Issued During Year	30,000	13,000	-	-	-
Debt Repayments During Year	<u>16,184</u>	<u>12,637</u>	<u>21,691</u>	<u>8,890</u>	<u>14,578</u>
Total Debt Outstanding (End of Year)	<u><u>77,096</u></u>	<u><u>77,459</u></u>	<u><u>55,768</u></u>	<u><u>46,878</u></u>	<u><u>32,300</u></u>
General Municipal Debt Outstanding (End of Year)					
- City of Regina's Share	11,616	8,217	4,790	3,709	-
- Property Owner's Share (Local Improvements)	<u>2,513</u>	<u>2,389</u>	<u>1,912</u>	<u>1,203</u>	<u>-</u>
	<u>14,129</u>	<u>10,606</u>	<u>6,702</u>	<u>4,912</u>	<u>-</u>
Water and Sewer Utility Debt Outstanding (End of Year)					
- City of Regina's Share	62,349	66,408	48,899	41,799	32,300
- Property Owner's Share (Local Improvements)	<u>618</u>	<u>445</u>	<u>167</u>	<u>167</u>	<u>-</u>
	<u>62,967</u>	<u>66,853</u>	<u>49,066</u>	<u>41,966</u>	<u>32,300</u>
Total Debt Outstanding	<u><u>77,096</u></u>	<u><u>77,459</u></u>	<u><u>55,768</u></u>	<u><u>46,878</u></u>	<u><u>32,300</u></u>

Reserve Information

Reserves for Future Expenditures (in thousands of dollars)



	Depreciation Reserves	Group Insurance Reserves	General and Utility Reserves	Total
1997	9,440	2,923	14,216	26,579
1998	7,113	3,639	21,033	31,785
1999	8,383	3,963	23,518	35,864
2000 (Restated)	9,737	5,174	27,466	42,377
2001	9,912	5,751	27,386	43,049

Demographic and Economic Information

	1997	1998	1999	2000	2001
Population	186,327	187,259	188,194	189,400	191,400
Building Permits					
Number	1,462	1,491	1,472	1,462	1,407
Value (\$000's)	154,200	139,500	161,680	113,332	192,509
Urban Dwelling Starts					
Regina	524	639	530	470	564
Inflation Rate (%)					
Regina	1.4	1.7	1.8	2.6	1.8
Saskatchewan	1.3	1.4	1.9	2.6	3.1
Canada	1.6	0.9	1.7	2.7	2.5
Unemployment Rate (%)					
Regina	6.3	5.0	5.4	4.9	5.3
Saskatchewan	5.9	5.7	6.1	5.2	5.8
Canada	7.2	5.0	5.8	6.8	7.2
Average Selling Price of Homes					
Regina	82,643	85,425	90,181	94,518	96,943
Saskatchewan	83,636	87,577	91,396	94,047	98,310
Canada	155,900	152,364	158,030	164,091	171,910

Sources: City of Regina, Canadian Real Estate Association and Sask Trends Monitor.

City of Regina Personnel

	1997	1998	1999	2000	2001
Total Staff - Full-Time Equivalents (Permanent and Casual)	2,155	2,168	2,175	2,195	2,226
Increase (Decrease) from Previous Year	(26)	13	7	20	31

Related Boards and Authorities

Regina Pioneer Village

430 Pioneer Drive
Regina, Saskatchewan S4T 6T8
Fax: (306) 757-5001
Phone: (306) 751-5225
Contact: Mr. Dick Chinn

Regina Downtown

206, 2314 – 11th Avenue
Regina, Saskatchewan S4P 0K1
Fax: (306) 359-9060
Phone: (306) 359-7541
Contact: Mr. Bland Brown

Regina Regional Economic Development Authority (RREDA)

255, 1919 Rose Street
Regina, Saskatchewan S4P 3P1
Fax: (306) 352-1630
Phone: (306) 522-0227
Contact: Mr. Tim Feduniw

Regina Public Library

2311 – 12th Avenue
P.O. Box 2311
Regina, Saskatchewan S4P 3Z5
Fax: (306) 352-5550
Phone: (306) 777-6060
Contact: Ms. Colleen Schommer

Buffalo Pound Water Administration Board

c/o City of Regina
Queen Elizabeth II Court
P.O. Box 1790
Regina, Saskatchewan S4P 3C8
Fax: (306) 777-6806
Phone: (306) 777-7411
Contact: Mr. David Calam